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C O N F I D E N T I A L SECTION 01 OF 03 SARAJEVO 000852

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SUBJECT: BOSNIA - SPIRIC, ALKALAJ, AND THE POLITICS OF  
CONFLICT OF INTEREST

REF: SARAJEVO 802

Classified By: Ambassador Charles English for reasons 1.4 (b) and (d)

SUMMARY

1. (C) Prime Minister Nikola Spiric's recent request to parliament to dismiss three members of the Council of Ministers (COM), Foreign Minister Sven Alkalaj of the Party for BiH (SBiH), Deputy Defense Minister Igor Crnadak of the Party for Democratic Progress (PDP), and Deputy Civil Affairs Minister Senad Sepic of the Party for Democratic Action (SDA), has created a small political storm in Sarajevo. Though Spiric has attempted to cast his request as a move to support the rule of law, we believe it is more likely related to his own long-standing personal feud with Alkalaj. We have also received signals that Spiric's request was not coordinated with his Alliance of Independent Social Democrats (SNSD) leadership, and that Spiric is receiving minimal political backing from Banja Luka. Though we doubt the dismissals will be approved by parliament, Spiric's request does have the potential to create a severe political crisis, including the fall of the government should Spiric choose to resign if parliament rebuffs his request. Parliament had planned to take up Spiric's request on May 14, but postponed consideration after Crnadak's father was killed in a tragic car wreck on May 10. End Summary.

SPIRIC ACTS ON CONFLICT OF INTEREST RULINGS

2. (C) As reported previously (reftel), PM Spiric submitted requests to parliament to dismiss three members of the Council of Ministers (COM), Alkalaj, Crnadak, and Sepic, following the April 24 Central Election Commission (CEC) decision that all three were in violation of the Law on the Conflict of Interest. The CEC found that Alkalaj sat on the board of an insurance company that contracted with government institutions, that Crnadak's father was the director of a publicly traded company, and that Sepic's father-in-law also served on the board of a public company. (Comment. Most observers inside and outside the government believe that the cases against Crnadak and Sepic are weak. End Comment.) In separate 4-3 votes on each case, the CEC banned the three men from holding a directly or indirectly elected office for a

period of four years. The law is unclear as to when the CEC sanctions take effect (i.e. whether it applies to their current or future mandates), but there is an emerging legal consensus that the ban is prospective, not immediate. Spiric's actions were governed by the Law on the Council of Ministers, which allows him to request parliamentary approval for the dismissal of COM members.

#### SPIRIC, THE DEFENDER OF THE RULE OF LAW

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13. (C) Spiric has publicly cast his request as an attempt to support the rule of law. He told the Ambassador on May 13 that dismissing the three ministers would serve to strengthen state institutions, and support the Euro-Atlantic integration process. Spiric's senior staff have also told us that the Office of the High Representative (OHR) supported the PM's initiative, though senior OHR officials have told us that no such message was communicated and that the High Representative had specifically instructed OHR to take no position on this issue. Despite his attempt to position himself as a champion of the rule of law, most political observers believe that Spiric was motivated by his own personal feud with Alkalaj.

#### WEAK PARTY BACKING?

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14. (C) Alliance of Independent Social Democrats (SNSD) spokesman Rajko Vasic stated publicly and told us privately that SNSD will support Spiric's request. But Vasic also told

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us that while he expects SNSD delegates to support the motion, it was not an important issue for SNSD, and that Spiric had not coordinated his action with the party leadership. Vasic's comments are in line with what RS Prime Minister Milorad Dodik's and Serb member of the Tri-Presidency Nebojsa Radmanovic's staff told us both before and after Spiric submitted his request to parliament. Dodik's political advisor had previously told us that the CEC decisions on the ministers was a "bogus problem."

#### OR SNSD PLOT?

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15. (C) Other senior political figures ascribe more sinister motives to Spiric's action. Party for Democratic Action (SDA) member and Defense Minister Selmo Cikotic told us that he and the party believed the request for dismissal was another attempt by Dodik to block the functioning of state institutions. Cikotic said that he believed that the CEC had provided Dodik a "gift," explaining that Dodik could use the ensuing controversy to tie up the state parliament for weeks and possibly collapse the government. Foreign Minister Alkalaj and his staff told us that they view Spiric's move as a coordinated SNSD assault on Alkalaj who SNSD views as a proxy for Haris Silajdzic and his Party for BiH (SBiH). (Comment. Alkalaj also told the Ambassador that he thought the charges and case against him might be rooted in anti-Semitism, but we have no reason to suspect that Alkalaj's background played any role in the CEC's or Spiric's moves. Jakob Finci, the Head of Bosnia's Jewish Community, also told us that he thought Alkalaj's allegations of anti-Semitism were baseless. End Comment.)

#### VOTES NOT THERE, FOR NOW

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16. (C) At this point, there does not seem to be enough votes in parliament to approve Spiric's request. Based on our consultations with party officials, it is unlikely that the motions will even gain the required one-third support (9 votes) among Federation-based parties required for passage. SBiH and SDA will almost certainly vote against the dismissals, and the HDZ leadership told us that their party

will abstain. Parliament had initially planned to take up the requests on May 14, but has delayed consideration on the motions due in part to the tragic and coincidental death of Crnadak's father in a car accident on May 10.

COMMENT: FREELANCING SPIRIC CREATING CRISIS?

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17. (C) Spiric's assertion that he is defending the state, rule of law, and the EU integration process rings hollow. It is much more likely that Spiric is using the CEC decisions as an excuse to go after Alkalaj, who he has regularly characterized as a terrible minister. Whatever the motivations for Spiric's request to parliament, it has the potential to create serious repercussions for the government. At this point, we believe that the most likely outcome is that the motions for removal of the three ministers will fail and that Spiric and the COM will continue with normal business following the vote. However, there does remain the outside possibility that the votes on one or more of the ministers could be approved, with Alkalaj being the most likely to be ousted. If this were to occur, SBiH could either refuse to nominate a new candidate for Foreign Minister or declare that they are withdrawing from the governing coalition, likely bringing down the government. If the votes on all three ministers are not passed, Spiric will in effect have failed to win what would be considered in most parliamentary systems a vote of confidence. While it is unlikely that he would resign in such a scenario (Spiric does not enjoy a reputation as a man of principle), his already limited clout could be further weakened. If Spiric were to resign, a new COM would need to be formed, but without Alkalaj, Crnadak, and Sepic, who would all be banned from appointment by the CEC ruling. We are also somewhat

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concerned over the fate of Crnadak, who has proven to be a powerful and pro-active Serb voice in support of the NATO accession agenda and US security interests in Bosnia.  
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